



July 8, 2014

Dear Member of the U.S. House of Representatives:

On behalf of the Small Business & Entrepreneurship Council (SBE Council), I am writing to urge your support for an amendment to the FY15 Water and Appropriations bill to repeal the Davis-Bacon Act for public works projects. Taxpayers are not receiving fair value for the projects they fund, and small businesses are prevented from competing on these projects as a result of this archaic law. Davis-Bacon is long overdue for repeal, and SBE Council urges you to vote for the amendment.

Davis-Bacon requires that “prevailing wages” be paid on public works projects over \$2,000. These wages are determined by a flawed process that does not reflect local market conditions. Padded wage levels drive contract prices higher, which is a waste of taxpayer dollars. Inflated wages also disallow small, entrepreneurial firms from engaging in these projects. That means taxpayers and the government are missing out on new innovations and efficiencies that could improve the quality and delivery of public works projects.

A study by Beacon Hill estimated that Davis-Bacon piles a 20 percent premium on wages. According to this estimate, repealing Davis-Bacon will save taxpayers \$1.3 billion. Those are resources that can be applied toward critical projects that will help our nation stay competitive. At a time of limited resources, we must stretch every dollar to ensure our nation’s vast infrastructure needs are met.

Taxpayers deserve value and fairness with regard to how their hard-earned money is spent by the government. Please vote to repeal Davis-Bacon for public works projects. Thank you, in advance, for your support of America’s entrepreneurs.

Sincerely,

Karen Kerrigan
President & CEO

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Protecting Small Business, Promoting Entrepreneurship